

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING REVISED RESPONSE
TO NAA/USPS-T5-31, TR. 2/791-93 [ERRATUM]
(May 2, 2000)

The United States Postal Service hereby gives notice of the filing of a revised response to part (f) of the original response to NAA/USPS-T5-31, Tr. 2/791-93. The last sentence, which refers to Stratum 3 (one of six strata of non-automated offices underlying BRPW results), was incomplete; it omitted the words, "reporting zero In-County revenue or any offices reporting non-zero Classroom revenue that would otherwise have been assigned to strata 2.1 through 2.5" which should have appeared before the final period.

This error was discovered as witness Hunter continued to review his interrogatory responses and oral cross-examination for consistency and accuracy. His oral cross-examination responses were consistent with the original response to NAA/USPS-T5-31, and are therefore also incorrect.

The sentence ending on line 10 of Tr. 2/929 should have included, "or is non-zero Classroom activity that would otherwise have been assigned to strata 2.1 through 2.5" after the word "determined" and before the period. Similarly, at Tr. 2/94 line 17 which now states, "including 3.0 which has no periodicals activity," is incomplete. It should instead state, "including 3.0 which has no in-county periodicals activity or which has non-zero Classroom activity".

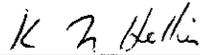
While only part (f) of the response to NAA/USPS-T5-31 is being corrected, it affects pagination; accordingly, the entire interrogatory is followed by the entire response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

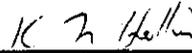
Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Kenneth N. Hollies

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May 2, 2000

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HUNTER
TO INTERROGATORIES OF NATIONAL NEWSPAPER ASSOCIATION**

- NNA/USPS-T5-31.** Please refer to the response to NNA/USPS-5, which provides a table giving the number of PERMIT offices by Cost Ascertainment Group. Please further refer to the response to NNA/USPS-6, which provides a table giving the number of non-automated offices by Cost Ascertainment Group. Finally, please refer to USPS-LR-I-230, Appendix A, at page 3, which provides a table with the subtitle of "PQI-FY95 2C CENSUS REVENUES BY STRATUM."
- a. Please confirm that there were 2,025 PERMIT offices in FY98. If not confirmed, please provide the total number of PERMIT offices in FY98 and please explain the discrepancy with the response to NNA/USPS-5.
 - b. Please confirm that there were 26,184 non-automated offices in FY98. If not confirmed, please provide the total number of non-automated offices in FY98 and please explain the discrepancy with the response to NNA/USPS-6.
 - c. Please confirm that the table on page 3 of Appendix A of USPS-LR-I-230 provides information on the panel of non-automated offices for the Periodicals category of mail. If not confirmed, please provide an exact reference to the table in USPS-LR-I-230 with this information.
 - d. Please provide the meaning of the following column headings used in the table on page 3 of Appendix A of USPS-LR-I-230: RI, RC, RN, RR, RF, RU, and R.
 - e. Please confirm that the table on page 3 of Appendix A of USPS-LR-I-230 lists 3 strata for PERMIT offices (strata 1 .1, 1.8, and 1.9) and 6 strata for non-automated offices (strata 2.1, 2.2, 2.3, 2.4, 2.5, and 3.0). If not confirmed, please provide a list of the PERMIT and non-automated strata listed on this table.
 - f. Please provide the definitions of the 9 strata referenced in (e). These definitions should include precise values for the defining revenue ranges.
 - g. Please confirm that the 3 PERMIT strata included on the table on page 3 of Appendix A of USPS-LR-I-230 represent observations for a population of 1,663 offices. If not confirmed, please explain.
 - h. Please explain the discrepancy between the number of PERMIT offices listed in (a) and the number of PERMIT offices listed in (g).
 - i. Please confirm that the 6 non-automated strata included on the table on page 3 of Appendix A of USPS-LR-I-230 represent observations for a population of 6,103 offices. If not confirmed, please explain.
 - j. Please explain the discrepancy between the number of non-automated offices listed in (b) and the number of non-automated offices listed in (i).
 - k. Please confirm that the 6 non-automated strata included on the table on page 3 of Appendix A of USPS-LR-I-230 are represented by a combined sample of 25 non-automated offices. If not confirmed, please explain.

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RESPONSE.

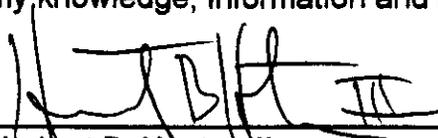
- a-b. I understand these counts to be correct.
- c. Confirmed.
- d. These column headings are the survey revenue variables associated with the In-County, Classroom, Nonprofit, Regular, Foreign, unassigned and total categories, respectively.
- e. Confirmed.
- f. The Strata 1.1, 1.8 and 1.9 categories identified PERMIT System offices, planned PERMIT System office additions, and offices not yet fully on-line at the time of the survey, respectively. The latter two categories served to update the survey with information that had since become available. The Strata 2.1 through 2.5 were constructed based on the following ranges of In-County revenue, in reverse (descending) order respectively: 1-599, 600-1399, 1400-2999, 3000-7299, and 7300 and greater. Stratum 3.0 represented any remaining offices reporting zero In-County revenue or any offices reporting non-zero Classroom revenue that would otherwise have been assigned to strata 2.1 through 2.5.
- g. Confirmed.
- h. There is no discrepancy. The counts represent two points in time.
- i. Confirmed.
- j. See my response to part (h).

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- k. Not confirmed. Some sampled offices are automated as explained on page 2 of USPS-LR-I-26/R2000-1. In addition, the panel for the Periodicals mail category for the FY 1998 period is of size 2,050 offices and represents both segments of the population.

DECLARATION

I, Herbert B. Hunter III, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.


Herbert B. Hunter III

Date: May 2, 2000